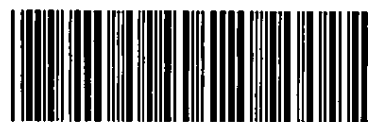


Company Registration Number 3197756



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QPR Holdings Limited

Financial statements

31 May 2013

QPR Holdings Limited
Financial statements
Year ended 31 May 2013

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QPR Holdings Limited

Company information

The board of directors

Mr T Fernandes
Mr A Bhatia
Mr K Meranun
Mr S Maheshwan

Company secretary

Temple Secretarial Limited

Registered office

Loftus Road Stadium
South Africa Road
London
W12 7PJ

Auditor

Chantrey Vellacott DFK LLP
Chartered Accountants
Statutory Auditor
Russell Square House
10 - 12 Russell Square
London
WC1B 5LF

Bankers

The Royal Bank of Scotland plc
155 Bishopsgate
London
EC2M 3YB

QPR Holdings Limited

Chairman's statement

Year ended 31 May 2013

On behalf of the Board of Directors, I am delighted to present the annual financial statements and report for the year ended 31 May 2013

On the Field

The 2012/13 season was a difficult one for QPR and despite improved performances and results in the second half of the season, the Club was unable to avoid relegation. During the course of the season there were a number of stand-out results, including wins against local rivals Chelsea and Fulham.

Player transfers

Having secured its Premier League status for a second season, the Club used the 2012 summer transfer window to strengthen its squad, with the aim of maintaining its Premier League status. Amongst the permanent signings made during the window were Andrew Johnson, Julio Cesar, Samba Diakite, Robert Green, Stephane Mbia, Ji-Sung Park, Esteban Granero, Junior Hoilett, Jose Bosingwa and Ryan Nelsen, with Fabio da Silva also joining on a season-long loan from Manchester United.

During the January 2013 transfer window, we strengthened the squad further with Christopher Samba, Loic Remy, Yun Suk-Young, Jermaine Jenas and Tal Ben Haim joining on a permanent basis, and Andros Townsend joining on a half-season loan.

A number of players left the Club during the year, including Heidar Helguson, Paddy Kenny, Matthew Connolly and Tommy Smith, all of whom left on permanent transfers. In addition Joey Barton left on a season-long loan.

We also parted company with Mark Hughes, who left the Manager's role in November 2012 and was replaced by Harry Redknapp.

Prospects

When, alongside my business partners, I purchased a majority shareholding in the Club in August 2011, my goal was to turn QPR into an established Premier League club. Being relegated was obviously not part of our plans, but our focus and determination to achieve our long-term goals has not diminished.


During the summer 2013 transfer window we have worked to put together a squad of players that we believe will give us a good chance of achieving promotion back to the Premier League. We have also invested in a new pitch at Loftus Road, which we hope will complement our style of play.

We are continuing to make progress in relation to both a new Training Ground and a new, larger stadium.

We have reduced our ticket pricing for the 2013/14 season, to reflect the fact that we are playing in the Championship and we have once again sold over 10,000 season tickets. We continue to target high attendance figures for all of our league matches and are confident that our pricing structure will help to encourage fans to attend.

At the time of writing, we have made a good start to the 2013/14 season and we remain confident that under the guidance of our manager, Harry Redknapp, we have a squad that is capable of challenging for promotion. We are confident that the 2013/14 season will also see the Club continue to make progress towards achieving its short, medium and long term off-pitch targets.

On behalf of the Board and my fellow shareholders, I would like to thank QPR fans for their continued support and dedication to the Club, particularly when things have not gone as planned. We look forward to continuing to welcome you to Loftus Road!



Tony Fernandes
Chairman

4th November 2013

QPR Holdings Limited

Directors' report

Year ended 31 May 2013

The directors have pleasure in presenting their report and the audited financial statements of the group for the year ended 31 May 2013

Principal activities and business review

The principal activity of the Group is that of a professional football club, with related commercial activities

Results and dividends

The loss for the year amounted to £65.4m. The directors have not recommended a dividend

Business Review

The results for the year are summarised below

- Group turnover was £60.6m, which was lower than in the previous year (£64.0m) being primarily due to a lower finishing position in Premier League,
- Total ticketing revenue at £8.3m, was slightly lower than in the prior year (£8.4m) but represented an increased average of £410,000 per home Premier League match, compared with £405,000 per match in 2012/13,
- Group operating losses were £65.7m, reflecting the continuing investment in the playing squad and management team,
- At the balance sheet date the Group had bank reserves of £3.6m, an increase of £2.0m on the prior year
- At the balance sheet date the Group's deficit position was £127.8m, compared with a £62.4 million deficit in the prior year. This is principally supported through financing obtained via shareholder loans

The year under review was QPR's second season back in the Premier League and the Club views on-pitch performance as a key measure of success. Clearly in 2012/13 the Club did not meet its performance targets and was relegated from the Premier League. A critical driver of any club's value is its presence in the Premier League, and the Club is focussed on regaining its Premier League status as quickly as possible. The financial results reflect the Club's focus on trying to achieve on-pitch success.

Cash flow and treasury

Net cash outflow from operations amounted to £44.4m as compared to £8.4 million for the previous year.

The Group paid £41.1m (2012: £25.0m) to acquire additional players during the year. The Group received £72.7m (2012: £38.7m) in shareholder financing during the year and in addition secured a short-term bank loan of £15m. The Group paid out £100,000 (2012: £38,000) in relation to interest during the year.

Net debt as at 31 May 2013 has increased to £177.1m (2012: £91.4m).

Risks and uncertainties

There are a number of potential risks and uncertainties that could have a material impact on the Group's long term performance. These risks and uncertainties are monitored by the Board on a regular basis and the Board remains confident that the Group has sufficient financial backing to manage these issues.

Football

The Group's income will always be directly affected by the performance of the first team and the Club's league status.

The level of attendance may be influenced by factors such as the success of the team, ticket prices, broadcast coverage and the general economic climate.

The performance of the playing squad, as well as the football management staff, is hugely important to the Group, which maintains its strategy of trying to retain the highest quality playing and management staff. The Group operates in a highly competitive market for talent and the market rates for transfers and wages is, to a varying degree, dictated by competitors and the Group recognises the significance of this in relation to the desire to maintain the strength of the first team.

The Club is regulated by the rules of the various governing bodies and any change to these rules could have an impact on the Group. The Group monitors its compliance with all applicable rules and considers the impact of any changes.

QPR Holdings Limited

Directors' report continued

Year ended 31 May 2013

Commercial

The Group derives income from sponsorship and other commercial arrangements

Broadcasting and certain other revenues are derived from contracts that are currently centrally negotiated by the Premier League, the Group does not have any influence on the outcome of the relevant contract negotiations

Future Developments

Having being relegated at the end of the 2012/13 season, the Group's key short-term objective is to regain its Premier League status. The Board believe that some restructuring of the playing squad is required in order to achieve this, however they are conscious of the need for expenditure to be closely monitored and controlled

Post Balance Sheet Events

The details of these are included in note 24 to the financial statements

Going Concern

The group's business activities, together with the factors likely to affect its future development and performance are set out above. The financial position of the group, its cash flows, liquidity position and borrowings are described in these financial statements

The directors, based on cash flow projections prepared by management and through confirmation of continuing support from the groups' main shareholders and creditors, have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Directors

The directors who served the company during the year were as follows

Mr A Bhatia
Mr T Fernandes
Mr K Meranun
Mr S Maheshwari

Directors responsibilities

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and company's transactions and disclose with reasonable accuracy at any time the financial position of the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

QPR Holdings Limited

Directors' report continued

Year ended 31 May 2013

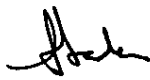
Insofar as the directors are aware

- there is no relevant audit information of which the group's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

Auditor

Chantrey Vellacott DFK LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006

Signed on behalf of the directors



Tony Fernandes
Chairman

Approved by the directors on 4 November 2013

QPR Holdings Limited

Independent auditor's report to the shareholders of QPR Holdings Limited

Year ended 31 May 2013

We have audited the group and parent company financial statements of QPR Holdings Limited for the year ended 31 May 2013 which comprise the group profit and loss account, group and parent company balance sheets, group cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group's and the parent company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the directors' report and chairman's statement to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the group's and the parent company's affairs as at 31 May 2013 and of the group's loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of directors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.



MARK STEVENS (Senior Statutory Auditor)
for and on behalf of **CHANTREY VELLACOTT DFK LLP**
Chartered Accountants and Statutory Auditor
London
4 November 2013

QPR Holdings Limited
Profit and loss account
Year ended 31 May 2013

	Note	2013 £000	2012 £000
Turnover	2	60,618	63,986
Cost of sales		114,637	80,795
Gross loss		(54,019)	(16,809)
Administrative expenses		(11,696)	(6,836)
Operating loss	3	(65,715)	(23,645)
Profit on disposal of player registrations	6	433	1,106
		(65,282)	(22,539)
Interest receivable		1	-
Interest payable and similar charges	7	(100)	(38)
Loss on ordinary activities before taxation		(65,381)	(22,577)
Taxation on loss on ordinary activities	8	-	-
Loss for the financial year		(65,381)	(22,577)

All of the activities of the group are classed as continuing

The group has no recognised gains or losses other than the results for the year as set out above

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own profit and loss account

The notes on page 11 to 20 form part of these financial statements

QPR Holdings Limited

Group balance sheet

As at 31 May 2013

	Note	2013 £000	2012 £000
Fixed assets			
Intangible assets	10	46,244	23,433
Tangible assets	11	21,814	21,146
		<u>68,058</u>	<u>44,579</u>
Current assets			
Stocks	12	657	536
Debtors	13	6,793	7,980
Cash at bank		3,606	1,615
		<u>11,056</u>	<u>10,131</u>
Creditors amounts falling due within one year	14	<u>(131,800)</u>	<u>(53,837)</u>
Net current liabilities		<u>(120,744)</u>	<u>(43,706)</u>
Total assets less current liabilities		<u>(52,686)</u>	<u>873</u>
Creditors amounts falling due after more than one year	15	<u>(75,122)</u>	<u>(63,300)</u>
		<u>(127,808)</u>	<u>(62,427)</u>
Capital and reserves			
Called up equity share capital	19	31,000	31,000
Share premium account	20	7,617	7,617
Revaluation reserve	20	7,981	7,981
Profit and loss account	20	(174,406)	(109,025)
Deficit	21	<u>(127,808)</u>	<u>(62,427)</u>

These financial statements were approved by the directors and authorised for issue on 4 November 2013, and are signed on their behalf by



Tony Fernandes
Chairman

Company Registration Number 3197756

The notes on page 11 to 20 form part of these financial statements

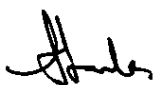
QPR Holdings Limited

Balance sheet

As at 31 May 2013

	Note	2013 £000	2012 £000
Fixed assets			
Tangible assets	11	21,814	21,146
Investments	22	5,520	5,520
		<u>27,334</u>	<u>26,666</u>
Current assets			
Stocks	12	657	536
Debtors	13	29,701	9,621
Cash at bank		587	1,387
		<u>30,945</u>	<u>11,544</u>
Creditors amounts falling due within one year	14	<u>(118,317)</u>	<u>(41,602)</u>
Net current liabilities		<u>(87,372)</u>	<u>(30,058)</u>
Total assets less current liabilities		<u>(60,038)</u>	<u>(3,392)</u>
Creditors amounts falling due after more than one year	15	<u>(72,650)</u>	<u>(63,300)</u>
		<u>(132,688)</u>	<u>(66,692)</u>
Capital and reserves			
Called up equity share capital	19	31,000	31,000
Share premium account	20	7,617	7,617
Revaluation reserve	20	7,981	7,981
Profit and loss account	20	(179,286)	(113,290)
Deficit		<u>(132,688)</u>	<u>(66,692)</u>

These financial statements were approved by the directors and authorised for issue on 4 November 2013, and are signed on their behalf by



Tony Fernandes
Chairman

Company Registration Number 3197756

The notes on page 11 to 20 form part of these financial statements

QPR Holdings Limited**Group cash flow statement****Year ended 31 May 2013**

	Note	2013 £000	2012 £000
Net cash outflow from operating activities	23	(44,359)	(8,356)
Returns on investments and servicing of finance	23	(99)	(38)
Capital expenditure and financial investment	23	(41,201)	(24,443)
Cash outflow before financing		<u>(85,659)</u>	<u>(32,837)</u>
Financing	23	87,650	38,700
Increase in cash	23	<u>1,991</u>	<u>5,863</u>

The notes on page 11 to 20 form part of these financial statements

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2013

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets and in accordance with applicable United Kingdom accounting standards

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and its subsidiary undertaking. The subsidiary financial statements are adjusted, where appropriate, to conform to group accounting policies

Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006

Going Concern

The directors, based on cash flow projections prepared by management and through confirmation of continuing support from the group's main shareholders and creditors, have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements

Turnover

Turnover represents match receipts, sponsorship and other income associated with the continuing principal activity of running a professional football club and excludes Value Added Tax

Fixed assets

All fixed assets are initially recorded at cost, however the stadium has been revalued

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows

Freehold Buildings – 10 to 50 years straight line

Plant & Machinery – 5 years straight line

Fixtures & Fittings – 5 years straight line

Freehold land and assets under construction are not depreciated

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items

Operating lease agreements

Operating lease rentals are charged to the profit and loss account on a straight-line basis over the period of the lease

Deferred taxation

Deferred tax is recognised in respect of all material timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date

Investments

Investments in subsidiary undertakings are stated at cost less provision for permanent impairment, if any

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2013

1 Accounting policies (*continued*)

Player registrations

Fees payable to other clubs on the transfer of player registrations with associated costs are capitalised as intangible assets and are written off over the period of the relevant player's contract term. Payments or receipts that are contingent on future events are accounted for in the period that the events crystallising such payments or receipts have taken place.

Player signing-on fees

Signing-on fees are charged to the profit and loss account in the accounting period in which they become payable.

Foreign currency transactions

Where payments are made or received in a foreign currency, they are recorded at their sterling equivalent at the date of the transaction with all exchange differences being reflected in the loss for the year.

2 Turnover

The turnover and loss before tax are attributable to the one principal activity of the group.

An analysis of turnover is given below.

	2013 £000	2012 £000
United Kingdom	60,618	63,986
	2013 £000	2012 £000
Gate Receipts	8,309	8,439
Sponsorship & Advertising	5,055	4,210
Broadcasting Rights	42,729	46,232
Commercial Income	3,640	4,551
UEFA Solidarity	257	500
Other Income	628	54
	60,618	63,986

3 Operating loss

Operating loss is stated after charging

	2013 £000	2012 £000
Amortisation of intangible assets	17,111	8,688
Depreciation of owned fixed assets	1,044	870
Operating lease rentals on land and buildings	320	312
Auditor's remuneration		
- as auditor for current year	25	25
- accountancy	10	10
- taxation advice	3	5

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2013

4 Particulars of employees

The average number of staff, including executive directors, employed by the group during the financial year can be analysed as follows

	2013 No	2012 No
Number of administrative staff	30	21
Players, managers, coaches and support staff	107	84
Commercial, marketing and retail staff	18	15
Stadium and maintenance staff	9	10
	<u>164</u>	<u>130</u>

The aggregate payroll costs of the above were

	2013 £000	2012 £000
Wages and salaries	68,031	51,312
Social security costs	9,976	7,149
	<u>78,007</u>	<u>58,461</u>

5 Directors' remuneration

No remuneration was paid to directors during the year (2012 £105,000)

6 Profit on disposal of player registrations

	2013 £000	2012 £000
Profit on disposal of player registrations	<u>433</u>	<u>1,106</u>

7 Interest payable and similar charges

	2013 £000	2012 £000
Bank Interest	<u>100</u>	<u>38</u>

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2013

8 Taxation on ordinary activities

A potential deferred tax asset exists at the balance sheet date in respect of tax losses carried forward. This has not been recognised in the financial statements as there is insufficient evidence that the asset will be recoverable within the meaning of Financial Reporting Standard No 19 Deferred Tax.

Tax losses carried forward at the balance sheet date were £199m (2012: £135m).

9 Loss attributable to members of the parent company

The loss dealt with in the financial statements of the parent company was £65,996,000 (2012: £22,850,000).

10 Intangible fixed assets

	Player Registrations £000
Cost	
At 1 June 2012	38,366
Additions	41,069
Disposals	(9,519)
At 31 May 2013	69,916
Amortisation	
At 1 June 2012	14,933
Charge for the year	17,111
On disposals	(8,372)
At 31 May 2013	23,672
Net book value	
At 31 May 2013	46,244
At 31 May 2012	23,433

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2013

11 Tangible fixed assets

Group and Company

	Land & Buildings £000	Assets Under Construction £000	Plant & Machinery £000	Fixtures & Fittings £000	Total £000
Cost or valuation					
At 1 June 2012	22,321	-	3,365	749	26,435
Additions	745	499	333	135	1,712
At 31 May 2013	23,066	499	3,698	884	28,147
Depreciation					
At 1 June 2012	1,930	-	2,864	495	5,289
Charge for the year	764	-	197	83	1,044
At 31 May 2013	2,694	-	3,061	578	6,333
Net book value					
At 31 May 2013	20,372	499	637	306	21,814
At 31 May 2012	20,391	-	501	254	21,146

The Loftus Road Stadium was independently valued by Savills, Chartered Surveyors, as at 31 May 2009 on a depreciated replacement cost (existing use) basis, at £21,250,000. The directors have not updated the valuation because they are not aware of any material change in value.

On a historical cost basis, land and buildings would have been included for both the Group and the Company as

	2013 £000	2012 £000
Historical cost	18,775	18,031
Depreciation based on cost	(2,460)	(2,084)
	16,315	15,947

12 Stocks

	2013 £000	Group 2012 £000	2013 £000	Company 2012 £000
Goods held for resale	657	536	657	536

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2013

13 Debtors

	2013 £000	Group 2012 £000	2013 £000	Company 2012 £000
Trade debtors	2,045	995	1,685	945
Other debtors	572	1,041	572	1,041
Prepayments and accrued income	4,176	5,944	4,088	5,795
Amounts owed by group undertakings	-	-	23,356	1,840
	<u>6,793</u>	<u>7,980</u>	<u>29,701</u>	<u>9,621</u>

14 Creditors amounts falling due within one year

	2013 £000	Group 2012 £000	2013 £000	Company 2012 £000
Short term borrowings	15,000	-	15,000	-
Trade creditors	11,629	11,184	1,447	966
Taxation and social security	4,721	8,303	1,420	6,286
Accruals and deferred income	7,416	4,593	7,413	4,593
Other creditors	93,034	29,757	93,037	29,757
	<u>131,800</u>	<u>53,837</u>	<u>118,317</u>	<u>41,602</u>

Short-term borrowings relate to a £15,000,000 bank loan which is secured by a charge on Loftus Road Stadium

Included within other creditors are the following unsecured loans

A £10,000,000 loan from Amulya Property Ltd, a company entirely owned by Tune QPR Sdn Bhd and Sea Dream Limited, which carries zero interest and is payable on demand

£55,361,000 of loans from Tune QPR Sdn Bhd, which carry zero interest and are repayable on demand (£8,600,000), 30 June 2013 (£200,000), 26 July 2013 (£1,067,000), 31 August 2013 (£5,000,000), 1 September 2013 (£427,000), 3 September 2013 (£640,000), 20 September 2013 (£4,000,000), 22 September (£801,000), 21 October 2013 (£6,401,000), 22 October 2013 (£2,287,000), 1 December 2013 (£1,067,000), 20 December 2013 (£1,601,000), 28 December 2013 (£2,000,000), 24 January 2014 (£1,467,000), 27 January 2014 (£100,000), 31 January 2014 (£5,000,000), 20 February 2014 (£2,000,000), 23 February 2014 (£1,468,000), 8 March 2014 (£500,000), 21 March 2014 (£6,001,000), 20 April 2014 (£1,667,000), 21 April 2014 (£1,067,000), 22 May 2014 (£2,000,000)

£27,673,000 of loans from Sea Dream Limited, which carry zero interest and are repayable on 30 June 2013 (£100,000), 26 July 2013 (£533,000), 31 August 2013 (£2,500,000), 1 September 2013 (£533,000), 20 September 2013 (£2,000,000), 22 September (£999,000), 21 October 2013 (£2,599,000), 22 October 2013 (£2,712,000), 1 December 2013 (£533,000), 20 December 2013 (£799,000), 28 December 2013 (£1,000,000), 24 January 2014 (£732,000), 27 January 2014 (£534,000), 31 January 2014 (£2,500,000), 20 February 2014 (£1,000,000), 23 February 2014 (£733,000), 8 March 2014 (£2,500,000), 21 March 2014 (£3,000,000), 20 April 2014 (£833,000), 21 April 2014 (£533,000), 22 May 2014 (£1,000,000)

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2013

15 Creditors amounts falling due after more than one year

	2013 £000	Group 2012 £000	2013 £000	Company 2012 £000
Trade creditors	2,472	-	-	-
Other creditors	72,650	63,300	72,650	63,300
	<u>75,122</u>	<u>63,300</u>	<u>72,650</u>	<u>63,300</u>

Included within long term creditors are the following unsecured loans

£60,367,000 of loans from Tune QPR Sdn Bhd, which carry zero interest and are repayable on 22 June 2014 (£3,400,000), 27 June 2014 (£500,000), 19 July 2014 (£5,000,000), 26 September 2014 (£4,000,000), 19 October 2014 (£5,000,000), 21 November 2014 (£3,333,000), 28 December 2014 (£3,334,000), 31 January 2015 (£10,500,000), 2 February 2015 (£7,500,000), 20 February 2015 (£10,000,000), 16 May 2015 (£7,800,000)

£12,283,000 of loans from Sea Dream Limited, which carry zero interest and are repayable on 22 June 2014 (£1,700,000), 27 June 2014 (£250,000), 19 July 2014 (£2,500,000), 26 September 2014 (£2,000,000), 19 October 2014 (£2,500,000), 21 November 2014 (£1,667,000), 28 December 2014 (£1,666,000)

16 Commitments

As at the 31 May 2013, the Club was committed to paying signing on fees in respect of players of £6,051,000 (2012 £7,414,000)

In addition the Club was committed to paying £280,000 (2012 £321,000) per annum under a non-cancellable operating lease in relation to land & buildings

17 Related party transactions

During the year, loans were provided to the company by Tune QPR Sdn Bhd and Sea Dream Limited, both shareholders of the company. Details of these loans are shown in creditors

During the year AirAsia sponsored the Club's playing shirts. Both Tony Fernandes and Kamarudin Meranun hold an interest in AirAsia

In accordance with the exemption permitted by Financial Reporting Standard 8 "Related Party Disclosures", transactions with other group undertakings have not been disclosed in these financial statements

18 Ultimate Controlling Party

The current ownership of QPR Holdings Limited is as follows

- 66.02% Tune QPR Sdn Bhd, the ultimate owners of which are Tony Fernandes, Kamarudin Meranun and Ruben Gnanalingam
- 33.00% Sea Dream Ltd, the ultimate owners of which are The L N Mittal Family
- 0.98% variety of minority shareholders

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2013

19 Share capital

Authorised share capital

	2013 £000	2012 £000
3,100,000,000 Ordinary shares of £0.01 each	<u>31,000</u>	<u>31,000</u>

Allotted and called up.

	No	2013 £000	No	2012 £000
Ordinary shares of £0.01 each	<u>3,099,493,700</u>	<u>31,000</u>	<u>3,099,493,700</u>	<u>31,000</u>

20 Reserves

Group	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000
Balance brought forward	7,617	7,981	(109,025)
Loss for the year	-	-	(65,381)
Balance carried forward	<u>7,617</u>	<u>7,981</u>	<u>(174,406)</u>

Company	Share premium account £000	Revaluation Reserve £000	Profit and loss account £000
Balance brought forward	7,617	7,981	(113,290)
Loss for the year	-	-	(65,996)
Balance carried forward	<u>7,617</u>	<u>7,981</u>	<u>(179,286)</u>

21 Reconciliation of movements in shareholders' funds

	2013 £000	2012 £000
Loss for the financial year	<u>(65,381)</u>	<u>(22,577)</u>
Net reduction of shareholders' funds	<u>(65,381)</u>	<u>(22,577)</u>
Opening shareholders' funds	<u>(62,427)</u>	<u>(39,850)</u>
Closing shareholders' deficit	<u>(127,808)</u>	<u>(62,427)</u>

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2013

22 Investments

Company

	2013 £000	2012 £000
Net book value at 1 June and 31 May	5,520	5,520

The investment represents a 100% holding in Queens Park Rangers Football & Athletic Club Limited, a professional football club, incorporated in England and Wales. Queens Park Rangers Football & Athletic Club Limited is included in this set of consolidated financial statements.

23 Notes to the cash flow statement

Reconciliation of operating loss to net cash outflow from operating activities

	2013 £000	2012 £000
Operating loss	(65,715)	(23,645)
Amortisation	17,111	8,688
Depreciation	1,044	870
Increase in stocks	(121)	(234)
Decrease/(increase) in debtors	1,187	(5,937)
Increase in creditors	2,135	11,902
Net cash outflow from operating activities	(44,359)	(8,356)

Returns on investments and servicing of finance

	2013 £000	2012 £000
Interest received	1	-
Interest paid	(100)	(38)
Net cash outflow from returns on investments and servicing of finance	(99)	(38)

Capital expenditure

	2013 £000	2012 £000
Payments to acquire intangible fixed assets	(41,069)	(24,952)
Payments to acquire tangible fixed assets	(1,712)	(1,436)
Receipts from sale of fixed assets	1,580	1,945
Net cash outflow from capital expenditure	(41,201)	(24,443)

Financing

	2013 £000	2012 £000
Net inflow from other long-term creditors	72,650	38,700
Net inflow from short-term borrowing	15,000	-
Net cash inflow from financing	87,650	38,700

Net cash is defined as cash and cash equivalents

QPR Holdings Limited

Notes to the financial statements

Year ended 31 May 2013

23 Notes to the cash flow statement (*continued*)

Reconciliation of net cash flow to movement in net debt

	2013 £000	2012 £000
Increase in cash in the year	1,991	5,863
Net cash inflow from other long-term creditors	(87,650)	(38,700)
Change in net funds	<u>(85,659)</u>	<u>(32,837)</u>
Net funds at 1 June	(88,910)	(58,582)
Net funds at 31 May	<u>(174,569)</u>	<u>(91,419)</u>

Analysis of changes in net debt

	At 1 Jun 2012 £000	Cash flows £000	At 31 May 2013 £000
Net cash			
Cash in hand and at bank	1,615	1,991	3,606
	<u>1,615</u>	<u>1,991</u>	<u>3,606</u>
Debt			
Debt due within 1 year	(29,734)	(78,300)	(108,034)
Debt due after 1 year	(63,300)	(9,350)	(72,650)
Net debt	<u>(91,419)</u>	<u>(85,659)</u>	<u>(177,078)</u>

24 Post balance sheet events

The Club undertook significant transfer activity in the 2013 summer transfer window, securing the services of Charlie Austin, Danny Simpson, Richard Dunne, Karl Henry, Gary O'Neil and Matt Phillips on permanent contracts

Christopher Samba (Anzhi Makhachkala) and Jamie Mackie (Nottingham Forest) were sold and a season-long loans were agreed for Loic Remy (Newcastle United), Adel Taarabt (Fulham), Ji-Sung Park (PSV Eindhoven), Esteban Granero (Real Sociedad) and Stephane Mbia (Sevilla). Djibril Cisse and Jose Bosingwa left the Club by mutual consent and in addition a number of players departed when their contracts expired, including DJ Campbell, Jay Bothroyd, Radek Cerny, Rob Hulse and Tal Ben Haim